



Bayou Health Checkup

A Look at the Past, Present and Future
July 18, 2014

Kathy Kliebert
Secretary

Louisiana Department of Health and Hospitals



Remembering where we started

- Louisiana Medicaid needed reform:
 - Fee-for-service systems encourage little coordination of care, promote
 - Despite spending billions a year, Medicaid was failing its recipients before Bayou Health:
 - Only 40% (lowest 10th percentile) of eligible women received a breast cancer screening
 - Only 56% of eligible Medicaid women received a cervical cancer
 - Less than 5% of adults in the Medicaid program even had a preventive visit
 - Only 66% of Medicaid-covered diabetics in 2008 had their blood sugar level (Hemoglobin A1c) tested to help manage their disease, putting Louisiana in the lowest quartile
 - Only 25% of eligible children received an adolescent well-care visit
 - Medicaid moms were likely to have a low birth weight infant (12.9% among Medicaid versus 8.3% among non-Medicaid)

Why Bayou Health?

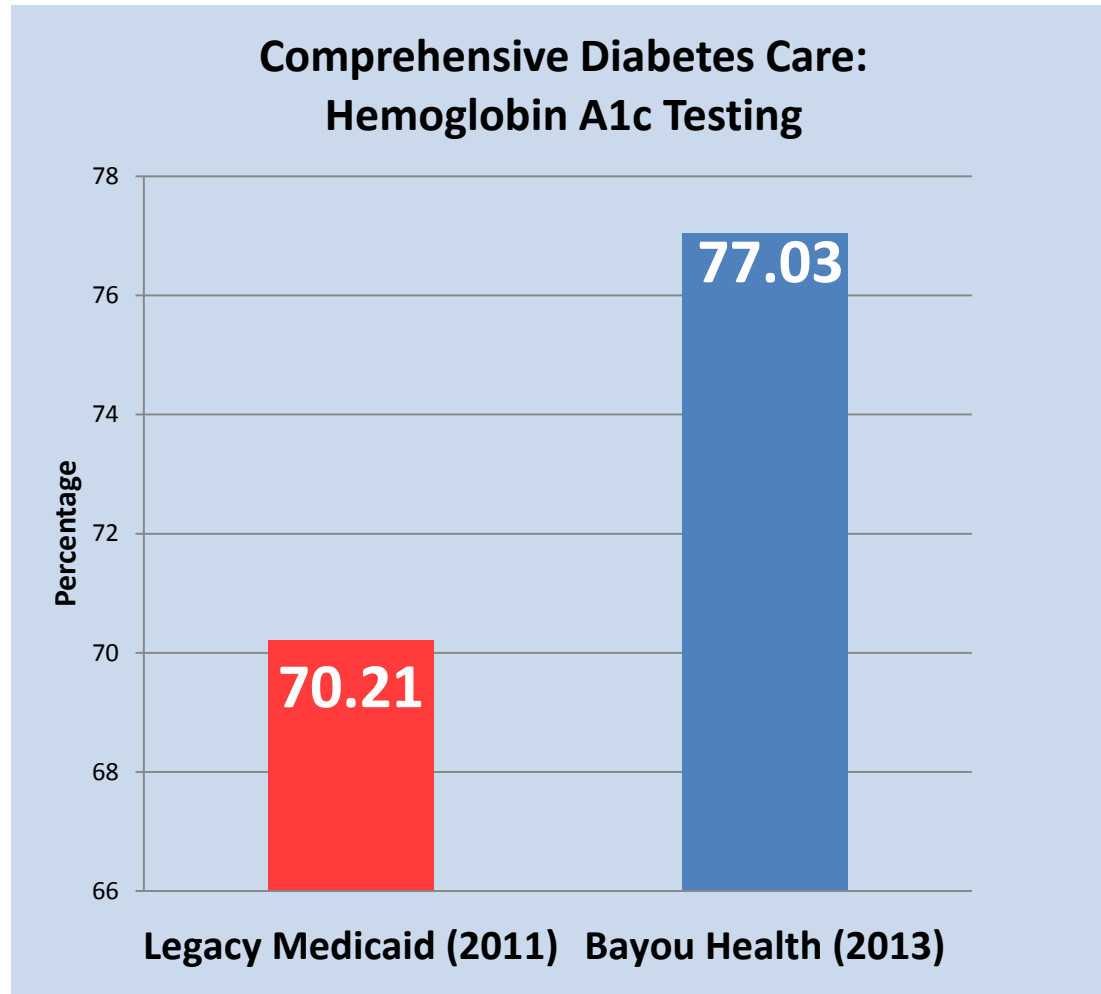
- Improved health outcomes
- Budget predictability and savings



Health Outcomes under Bayou Health

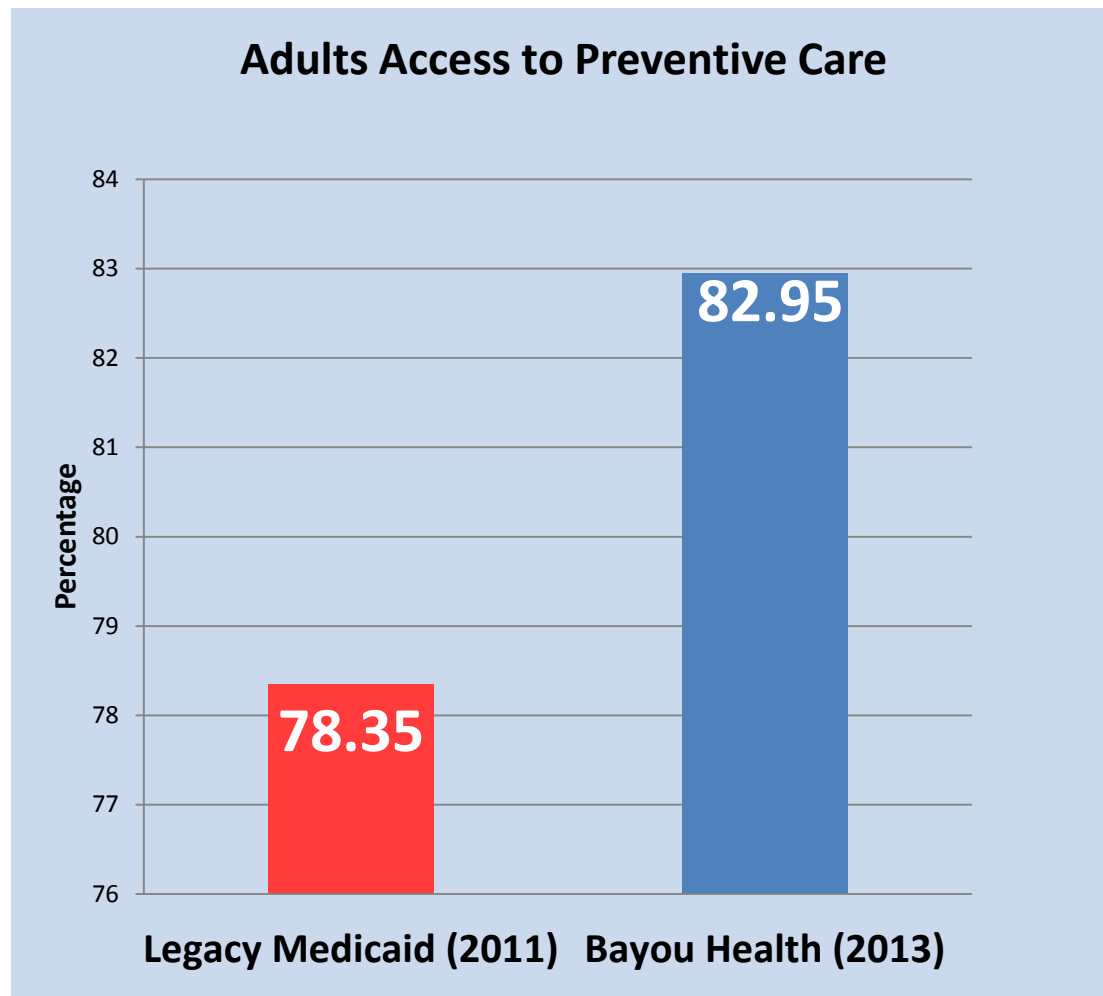
- Bayou Health includes a direct link between financial incentives and patient outcomes.
- Old Medicaid just paid claims. Bayou Health allows the State to set expectations of the managed care organizations for critical measures.
- Healthcare Effectiveness Data and Information Set (HEDIS) measures are evaluated by a third-party, independent organization with the National Committee for Quality Assurance (NCQA).
- These measures are the standard for managed care organizations across the country.

Better care for Diabetics



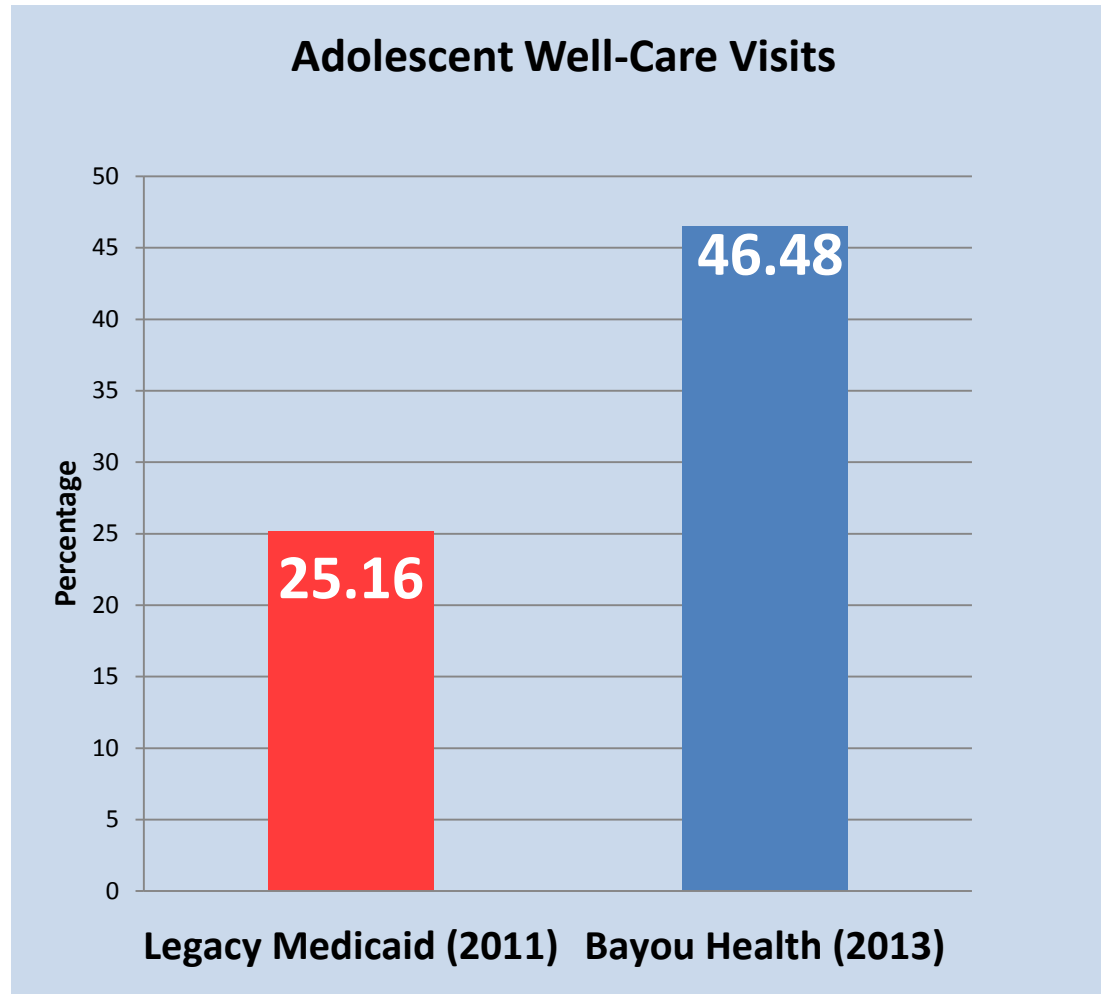
Health Plan	HEDIS® 2013
Amerigroup	76.81
Amerihealth Caritas	79.87
Community Health Solutions	76.87
La. Healthcare Connections	73.51
United Healthcare	77.62

Better Access for Adults



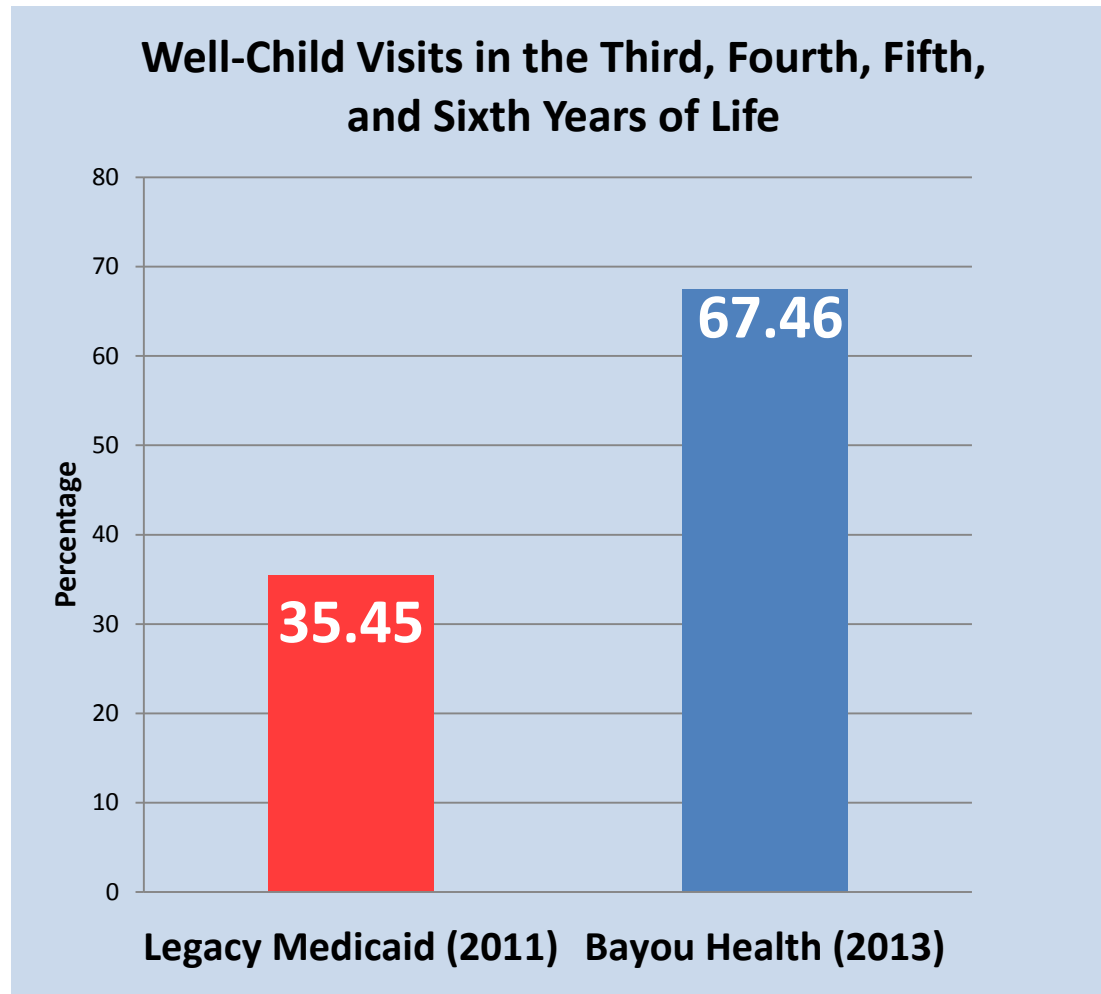
Health Plan	HEDIS® 2013
Amerigroup	82.17
Amerihealth Caritas	83.16
Community Health Solutions	81.05
La. Healthcare Connections	82.81
United Healthcare	84.59

Better Care for Adolescents



Health Plan	HEDIS® 2013
Amerigroup	40.05
Amerihealth Caritas	43.49
Community Health Solutions	46.62
La. Healthcare Connections	39.12
United Healthcare	46.72

More Preventive Care for Children



Health Plan	HEDIS® 2013
Amerigroup	61.34
Amerihealth Caritas	57.17
Community Health Solutions	67.8
La. Healthcare Connections	57.41
United Healthcare	63.59

EQRO Results

- First independent external quality review report indicates high rate of compliance with over 4,000 state and federal regulations.
 - Amerigroup – 899 requirements with a 98 percent full and substantial compliance
 - LaCare – 899 requirements with a 98 percent full and substantial compliance
 - Louisiana Healthcare Connections – 899 requirements with a 98 percent full and substantial compliance
 - Community Health Solutions of Louisiana – 740 requirements with a 96 percent full and substantial compliance
 - UnitedHealthcare Community Plan of Louisiana – 740 requirements with a 99 percent full and substantial compliance.



Administrative Performance Measures

Provider Type	Average number of days to pay claim	Percent of clean claims paid within 30 days
Physicians	7.9	98.8%
Hospitals	8.6	98.5%
Pharmacists	4.6	99.5%

Prior Authorization Requests	
Determined within two business days	92.6%
Determined within 14 calendar days	98.0%
Determined within 28 calendar days	99.7%
Expedited authorizations complete within 72 hours	96.7%



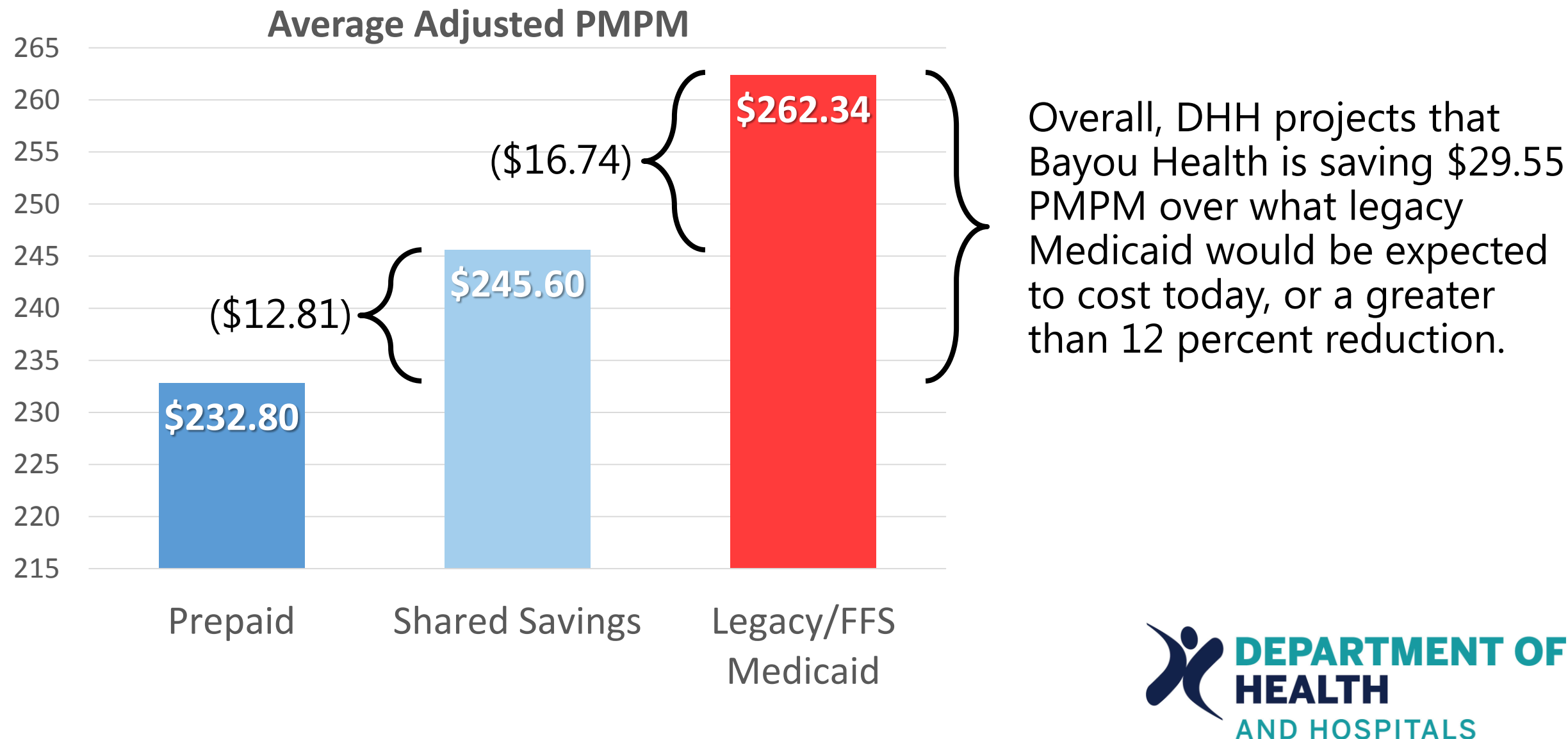
Tremendous Transparency

- Bayou Health has resulted in a level of public reporting that was not available under old Medicaid.
- Resources available to the public and legislature at MakingMedicaidBetter.com include:
 - Annual Act 212 Transparency Report
 - HEDIS quality measures by plan
 - Individual quarterly Health Plan reports, including:
 - PCP quality profile reports with aggregate data on specialist referrals, ER visits, hospital admissions, lab and radiology services, medications and office visits
 - Grievance and appeal reports, detailing the number of appeals and summary findings
 - Denied claims by month
 - Prior authorization timeliness
 - Prompt payment performance
 - Enrollment reports by plan and parish, including transfers and reason for transfer
 - External Quality Review reports by plan

Bayou Health Savings

- At its inception, DHH built \$135.9 million in savings into its budget for the first full year of Bayou Health implementation, which was FY 2013. Savings were driven by two factors:
 - Prepaid plans offer guaranteed, up-front savings over historical costs through the actuarial process of establishing their capitation rates.
 - The other most direct demonstration of cost savings for DHH is found in the actuarial determination of interim savings in the Shared Savings Model.
 - The Department's actuary, Mercer, noted that Community Health Solutions (CHS) and UnitedHealthcare (UHC) achieved **a combined savings of \$12.5 million in the first year** of Bayou Health implementation (February 2012 – December 2012).

Comparing Costs between Models



Continuous Feedback

- Since launch of Bayou Health, DHH has formed and evolved the Bayou Health (now Medicaid) Quality Committee and the Administrative Simplification Committee.
- Key outcomes from this process:
 - Increased provider engagement (more providers were added to enhance Quality Committee)
 - Recommendation to pursue a holistic approach to ER reform (resolution passed and a workgroup has been formed)
 - Alignment of benefit guidelines and creation of common forms for prior authorizations and EPSDT
 - Updates to provider manuals (first for durable medical equipment, which has been completed)
 - Vastly increased transparency of Medicaid programs through Bayou Health reporting
 - Suggestions for new RFP were solicited and many were included

Next Phase of Bayou Health

- Yesterday, DHH announced details about the next phase of Bayou Health.
- Two key takeaways:
 - We will continue the commitments of the past and preserve the best practices and successes of Bayou Health.
 - We will make key changes to improve budget predictability and savings, enhance quality and continuity of care for members and improve the administrative experience for providers.

Continued Commitments

Medical Loss Ratio



Ensures that the majority of dollars go toward providing health care

Rate Floor



Every provider with guaranteed rate floor today will continue to have one

Competitive Procurement



Limits number of plans; ensures best plans are selected

Prompt Pay Rules



Protects providers from cash flow problems

Vigorous Appeals Requirements



Provides consistent recourse from denied claims and payments

Network Adequacy Requirements



Ensures that each health plan contracts with enough providers to see patients

These were early commitments based on feedback from stakeholders that will continue in next phase of Bayou Health.

Key Improvements

- Consolidated model
 - Full risk-bearing model for better budget predictability and savings, increased stability, greater flexibility and less confusion
 - Adapting best practices for provider engagement from shared savings model into risk bearing model
- Requirement for common formulary
 - Health plans will be required to develop a common Bayou Health formulary (with DHH approval) within six months of new contract
 - *Request from Medicaid Quality Committee*
- Improved coordination of physical and behavioral health
 - Enhanced contractual requirements for coordination between MCO and SMO
 - Payment responsibility will be based on the prescriber or practitioner, rather than diagnosis, to clarify roles of the two plans.

Promoting Care Continuity

- Benefits and service changes to promote care continuity:
 - New Medicaid applicants will choose a health plan during application process and will be enrolled in their health plan from day one
 - Bayou Health members needing hospice services will no longer have to leave their health plan to ensure less disruption in care at end of life
 - Children under 21 will be able to receive in-home personal care assistance through their health plan
 - Single point of contact plan members for transportation: all non-emergency medical transportation will be arranged through the health plan, even for appointments for services not part of Bayou Health

New Quality and Performance Metrics

- Over twenty new performance measures will be tracked and reported by health plan
- Quality metrics with financial implications for health plans increased from 5 to 8, include measures that track:
 - Access to therapies that prevent repeat preterm births for eligible women
 - Access to postpartum care for pregnant women
 - Cesarean rate for low-risk first time moms
 - Emergency room utilization
 - Follow-up care for children prescribed ADHD medication
 - Management of patients with HIV and diabetes

Improved Program Integrity

- Retrospective Capitation Payments
 - Health plans will be paid retrospectively in the month after services to reduce the amount of reconciliation necessary.
- Increased focus on rooting out fraud and abuse
 - New requirement for health plan to hire one full-time investigator per 100,000 enrollees and work collaboratively to identify risks and detect fraud.



RFP Timeline

Date	Rulemaking Action
7/18/14	Notice of Intent for revised Rule submitted to Legislative Fiscal Office
8/20/14	Notice of Intent Published in the <i>Louisiana Register</i> ; public comment period begins.
9/24/14	Public hearing on the Notice of Intent
10/10/14	Oversight report submitted to Governor, Legislature & Attorney General
11/20/14	Anticipated publication of final rule in the <i>Louisiana Register</i>
Date	Procurement and Implementation Action
7/28/14	Anticipated date for issuance of Request for Proposals
7/31/14	Proposer's and Systems and Technical Conferences
8/18/14	Deadline for posting responses to written questions
9/1/14	Deadline for posting responses to written follow-up questions
9/26/14	Deadline for Proposals
10/1/14	Evaluation of Proposals Begins
10/24/14	Announcement of Contract Awards
10/25/14	Contract negotiations begin
November - January	On-site Readiness Reviews; CMS Approval of Contracts
2/1/15	Go live date for new contract



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